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9 PENGUIN MAGIC, INC.

10 **UNITED STATES DISTRICT COURT**
11 **CENTRAL DISTRICT OF CALIFORNIA**
12 **WESTERN DIVISION**

13 YIGAL MESIKA, an individual,

14 Plaintiff,

15 vs.

16 PENGUIN MAGIC, INC., a Nevada
17 corporation, DOES 1-10, inclusive,

18 Defendant.

Case No. 2:15-cv-09314-RGK-DTB

19 **NOTICE OF LODGMENT OF**
20 **[PROPOSED] ORDER ON**
21 **MOTION FOR SUMMARY**
22 **JUDGMENT**

23 Judge: Hon. R. Gary Klausner

24 Date: October 31, 2016

25 Time: 9:00 a.m.

26 Place: Courtroom 850
27 255 E. Temple St.
28 Los Angeles, CA 90012

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1 PLEASE TAKE NOTICE that attached hereto as Exhibit "A" is Defendant's
2 Notice of Lodgment of [Proposed] Order on Motion for Summary Judgment.
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4 Dated: September 29, 2016

Respectfully submitted,

5 **POLSINELLI LLP**

6 /S/TODD MALYNN

7 By: Todd M. Malynn, Esq.

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Exhibit A

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[PROPOSED] ORDER

Judge: Hon. R. Gary Klausner

Date: October 31, 2016

Time: 9:00 a.m.

Place: Courtroom 850
 255 E. Temple St.
 Los Angeles, CA 90012

19 The Court, having read and considered, *inter alia*, Defendant Penguin
 20 Magic's ("Penguin Magic") Memorandum of Points and Authorities, Statement of
 21 Uncontroverted Facts and Conclusions of Law and supporting evidence, and
 22 finding that the Motion is meritorious, hereby orders that the Motion is GRANTED
 23 for the following reasons:

24 Plaintiff Yigal Mesika ("Mesika") asserts the following claims: (1) federal
 25 trademark infringement under 15 U.S.C. § 1114(1)(a); (2) Lanham Act unfair
 26 competition under 15 U.S.C. § 1125(a); (3) unfair trade practices under California
 27 law; and (4) false advertising under California law.

28 Mesika's claims for federal trademark infringement and unfair trade
 practices under California law are barred as a matter of law. Mesika is not the

1 owner of the alleged underlying trademark. Therefore, he lacks standing to bring
 2 claims for trademark infringement of the alleged LOOPS mark. *Gaia Techs. v.*
 3 *Reconversion Techs.*, 93 F.3d 774, 777 (Fed. Cir. 1996). Furthermore, his federal
 4 Registrations are void *ab initio*. 37 C.F.R. § 2.71(d).

5 The alleged underlying trademark and Registrations, if owned by Mesika,
 6 would be invalid as abandoned by naked licensing. *FreecycleSunnyvale v.*
 7 *Freecycle Network*, 626 F.3d 509, 515 (9th Cir. 2010) (“‘Naked licensing’ occurs
 8 when the licensor fails to exercise adequate quality control over the licensee.”).
 9 Mesika failed to exercise adequate quality control over his licensee Finn Jon, and
 10 consequently he is estopped from asserting rights to the trademark. *Barcamerica*
 11 *Int’l USA Trust v. Tyfield Importers, Inc.*, 289 F.3d 589, 596 (9th Cir. 2002).

12 Alternatively, the alleged underlying trademark and Registrations are also
 13 invalid as generic. The term “loops” is and has been a generic name for any tied
 14 loop of invisible elastic thread. As such, it cannot serve as a trademark. *Off. Airline*
 15 *Guides, Inc. v. Goss*, 6 F.3d 1385, 1391 (9th Cir. 1993).

16 Mesika’s Registrations are also invalid as obtained by fraud. Throughout the
 17 application process, Mesika misrepresented his ownership of the underlying
 18 alleged mark LOOPS, and he continued this misrepresentation during post-
 19 issuance submissions. Mesika also misrepresented the sales and advertising levels
 20 attributable to his products to justify issuance of the Registrations based on
 21 acquired distinctiveness. Mesika’s actions were fraudulent because the
 22 misrepresentations were false, Mesika knew they were false, they were made with
 23 the intent to induce reliance by the Trademark Office, and the Trademark Office in
 24 fact relied upon them, ultimately resulting in the erroneous issuance of Mesika’s
 25 Registrations. *Robi v. Five Platters, Inc.*, 918 F.2d 1439, 1444 (9th Cir.1990).

26 Even if the underlying trademark and Registrations are not invalid, Penguin
 27 Magic has not infringed them. The only evidence presented by Mesika during this
 28 litigation is of nominative fair uses and/or uses protected under the first sale

1 doctrine. These uses do not constitute trademark infringement or unfair
2 competition. *Toyota Motor Sales, U.S.A., Inc. v. Tabari*, 610 F.3d 1171, 1175 (9th
3 Cir. 2010); *Sebastian Int'l, Inc. v. Longs Drug Stores Corp.*, 53 F.3d 1073, 1074
4 (9th Cir. 1995). Mesika is enjoined from asserting claims against Penguin Magic
5 for the same or similar conduct.

6 Mesika's remaining claims for federal unfair competition and false
7 advertising under California law are also barred as a matter of law. To sustain
8 either claim, Mesika must identify specific false statements of fact that are known
9 to be untrue or misleading. Mesika has identified no such statements in his
10 pleadings, and Mesika has produced no evidence of such statements during this
11 litigation. Therefore, Mesika's claims fail as a matter of law. *Southland Sod*
12 *Farms v. Sover Seed Co.*, 108 F.3d 1134, 1139 (9th Cir.1997); *Vitt v. Apple*
13 *Computer, Inc.*, 469 Fed. Appx. 605, 607 (9th Cir.2012).

14 Finally, the Court finds this is an exceptional case under 15 U.S.C. §
15 1117(a). Mesika's claims were groundless, unreasonable, vexatious, or pursued in
16 bad faith. Therefore, Penguin Magic is entitled to an award of reasonable
17 attorneys' fees and costs. *Secalt S.A. v. Wuxi Shenxi Const. Mach. Co.*, 668 F.3d
18 677, 687 (9th Cir. 2012). Penguin Magic shall file a petition for an award of fees
19 and costs within 21 days of this order.

20 **It is SO ORDERED.**
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CERTIFICATE OF SERVICE

The undersigned certifies that on September 29, 2016, the foregoing document was electronically filed with the Clerk of the Court for the United States District Court, Central District of California, using the Court's Electronic Case Filing (ECF) system. The ECF system routinely sends a "Notice of Electronic Filing" to all attorneys of record who have consented to accept this notice of this document by electronic means.

Dated: September 29, 2016

POLSINELLI, PC

By: /s/AJ Cruickshank
AJ Cruickshank